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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 16

JANUARY 1972

Number 6

Released Pursuant to \$1090.27 (j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JANUARY 1972

PROCUREMENT SECTION
Alphabetical Serial File

The Chattanooga Order MINIMUM uniform producer price is \$6.22 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to the location adjustment of the plant at which milk was received per \$1090.53 and \$1090.74.

In January 1972, 60.1% of producer milk received by pool plants was priced in Class I at \$7.08 per cwt. and 39.9% was price in Class II at \$4.97 per cwt. The January butterfat differential for Class I was 8.2 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during January 1972 was 37,976,027 pounds which is an increase of 3,812,263 pounds or 11.2% compared with January 1971. The January daily average deliveries from 765 producers was 1,601 pounds. This compares to 739 farms delivering a daily average of 1,491 pounds per day during January 1971.

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

A request has been received by the Market Administrator from Dairymen, Inc, Tennessee Valley Division, to revise his determination that all producers supplying milk to the Chattanooga area handlers be given an opportunity to continue contributing to the Dairy Council and to the American Dairy Association at the present rates.

The Market Administrator has made a review of current producer deductions and the request of the Association representing certain Chattanooga area producers. By this and other means, in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible, as a result of this determination, for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (DC 1¢ and ADA 5¢) from payments to milk producers, provided the handler gives each producer notice of his intentions to make these deductions for one year beginning with February 1972 deliveries. All handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. Market Administrator auditors will examine all letters which producers send handlers regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

/s/ J. E. Bobo
Market Administrator

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	% Jan. '72 Over Jan. '71	Jan. 1972	Dec. 1971	Jan. 1971
Number of Plants - Pool		7	7	6
- Non-Pool		14	14	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+11.2	1,225,033	1,208,663	1,102,057
Other Source	+34.5	37,228	34,055	27,674
Other Federal Orders	+86.6	133,215	134,175	71,405
TOTAL MILK RECEIPTS	+16.2	1,395,476	1,376,893	1,201,136
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 5.8	446,743	443,209	422,213
Skim	+ 6.0	21,862	20,646	20,616
2% Milk	+25.7	137,332	136,970	109,275
Buttermilk	+ 9.4	57,995	57,571	53,007
Flavored Milk and Drink	+34.7	20,123	18,297	14,935
Creams (Sweet and Sour)	+16.8	3,560	4,907	3,048
Yogurt	+95.5	657	380	336
Sub-Total - Pkg. Products (Pool Plants)	+10.4	688,272	681,980	623,430
Other (Shrinkage, Inventory, etc.)		4,690	1,169	11,754
Sales to Non-Pool Plants	-42.7	88,391	111,380	154,185
In-Area Sales by Non-Pool Plants	- 4.7	46,488	43,472	48,759
TOTAL CLASS I MILK	- 1.2	827,841	838,001	838,128
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+11.6	52,536	48,149	47,057
Cottage Cheese	+ 2.0	41,460	31,378	40,653
Powdered and Condensed Milk		6,043	16,917	-0-
Livestock Feed and Milk Dumped		7,359	10,098	6,232
Sub-Total - Used to Produce	+14.3	107,398	106,542	93,942
Shrinkage Class II		12,587	11,122	17,234
Other (Inventory Variation, etc.)		15,911	3,445	32,034
Bulk Sales to Non-Pool Plants	+96.4	431,739	417,783	219,798
TOTAL CLASS II MILK	+56.4	567,635	538,892	363,008
Class I Pkg. Lbs. In Area - Pool Plants	+ 6.1	510,799	508,664	481,274
Class I Pkg. Lbs. Out of Area-Pool Plants	+24.8	177,473	173,316	142,156
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 4.7	46,488	43,472	48,759
% Producer Milk of Gross Class I		148.0	144.2	131.5
% Producer Milk Priced in Class I		60.1	61.8	70.4

PRODUCER MILK BASES - 1972

Federal Order Milk bases for producers will be announced by February 29, 1972. Milk Bases were established during September 1971 through January 1972. These bases are to be used for calculating payment to producers for milk deliveries during March through July 1972. If you do not receive your Milk Base Notice soon after March 1, 1972, please notify the Market Administrator, P. O. Box 8085, Chattanooga, Tennessee 37411.

COMPUTATION OF PRODUCER UNIFORM PRICE

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JANUARY 1972	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		25,663,065	3.164		
Less Other Source		2,839,854	2.493		
Producer Milk Class I	60.1	22,823,211	3.247212	\$6.872714	\$1,568,574.02
Gross Class II		17,596,679	4.970		
Less Other Source		2,443,863	3.823		
Producer Milk Class II	39.9	15,152,816	5.154501	6.260511	948,643.71
TOTAL PRODUCER MILK (CL.I+CL.II)	100.0	37,976,027	4.008239		\$2,517,217.73
Less Fractional Adjustment					.09
Add Value of Overage					16.05
Add Value of Class I Other Source and Producer Location Adjustment		8,802	0.00		3,503.68
Add 1/2 Producer-Settlement Fund Reserve					13,954.18
TOTAL VALUE AT TEST		37,984,829	4.007310	\$6.672905	\$2,534,691.55
Less Test over 3.5% @ 8.0¢ per point		37,984,829	.507310	0.405848	154,160.67
TOTAL UTILIZATION VALUE AT 3.5%		37,984,829	3.5	\$6.267057	\$2,380,530.88
Less Reserve per \$1090.71 (f)		37,984,829		.047057	17,874.52
PRODUCER UNIFORM PRICE - 3.5% TEST		37,984,829	3.5	\$6.22	\$2,362,656.36

JANUARY 1972 ORDER MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.82	3.6	\$6.30	4.2	\$6.78	4.8	\$7.26	5.4	\$7.74
3.05	5.86	3.65	6.34	4.25	6.82	4.85	7.30	5.45	7.78
3.1	5.90	3.7	6.38	4.3	6.86	4.9	7.34	5.5	7.82
3.15	5.94	3.75	6.42	4.35	6.90	4.95	7.38	5.55	7.86
3.2	5.98	3.8	6.46	4.4	6.94	5.0	7.42	5.6	7.90
3.25	6.02	3.85	6.50	4.45	6.98	5.05	7.46	5.65	7.94
3.3	6.06	3.9	6.54	4.5	7.02	5.1	7.50	5.7	7.98
3.35	6.10	3.95	6.58	4.55	7.06	5.15	7.54	5.75	8.02
3.4	6.14	4.0	6.62	4.6	7.10	5.2	7.58	5.8	8.06
3.45	6.18	4.05	6.66	4.65	7.14	5.25	7.62	5.85	8.10
3.5	6.22	4.1	6.70	4.7	7.18	5.3	7.66	5.9	8.14
3.55	6.26	4.15	6.74	4.75	7.22	5.35	7.70	5.95	8.18

USDA AMENDS 61 FEDERAL MILK MARKETING ORDERS

The U. S. Department of Agriculture has amended all Federal milk orders, including Chattanooga, except the South Texas order, effective February 1, 1972. The amendment changes are as follows:

(1) Require that the Class I (bottling) prices for each month be announced by the fifth day of the preceding month.

(2) Use the basic Minnesota-Wisconsin manufacturing milk price for the second preceding month, instead of for the immediately preceding month, in computing Class I prices.

The amendment was first proposed at a public hearing in Washington, December 13, 1971. The hearing was held at the request of the Milk Industry Foundation representing handlers doing business under all of the orders. A final decision, subject to appropriate dairy farmer approval, was announced January 25. The amendment was adopted following approval by the required majority of farmers affected by the action.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Jan. '71	\$6.28	-	-	8.2¢	\$6.98	8.4¢	\$4.79	8.0¢
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	-	-	-	-	7.08	8.1	-	-
Mar.	-	-	-	-	7.12	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92 ⁰ Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Jan. '71	69.77	26.91	\$4.79	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16

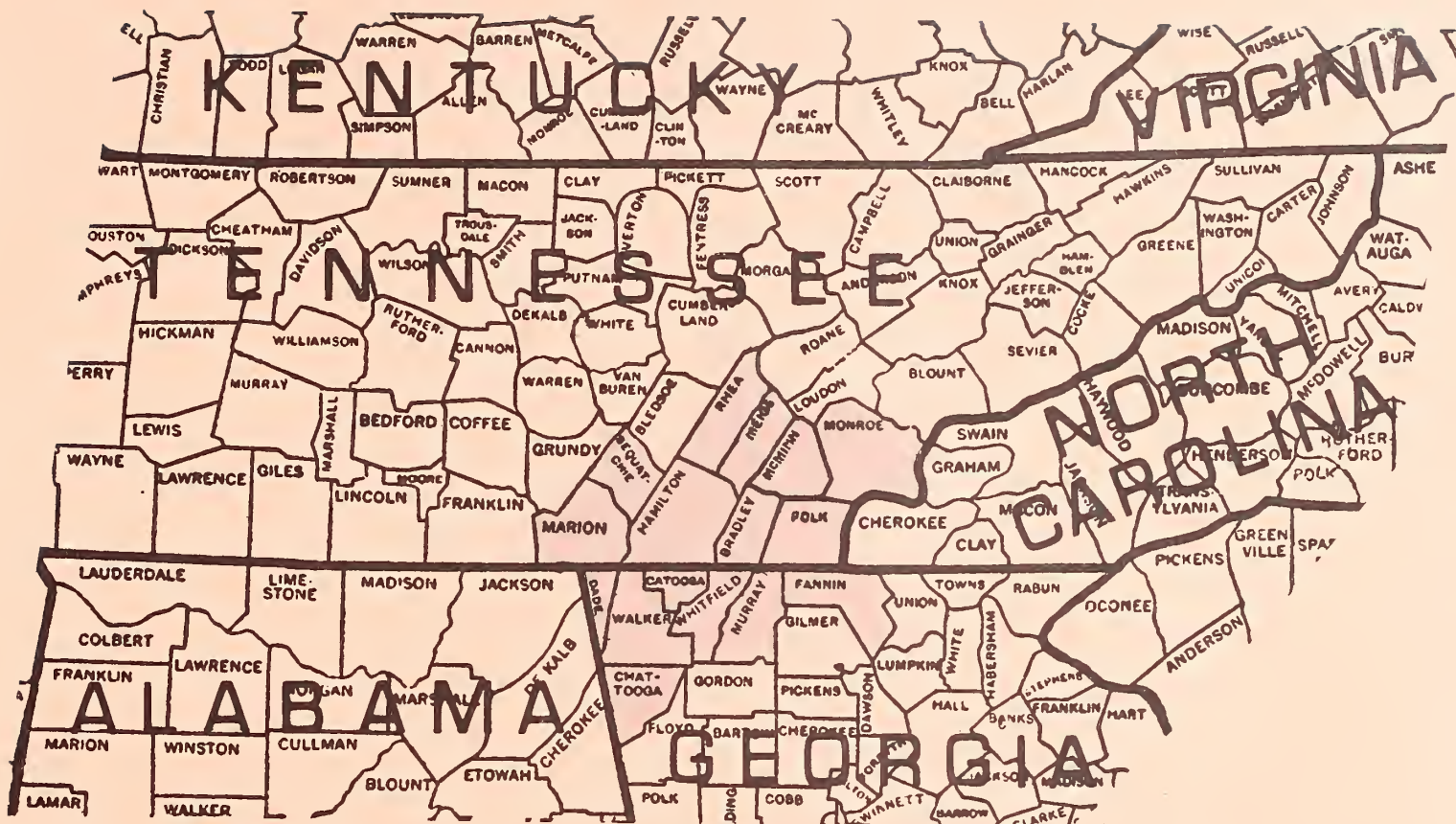
SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plant	Prod.	Delivery	Delivery	Test-%	Farm
Jan. '71	19	1,201,136	838,128	6	739	1,102,057	-	4.09	1,491
Feb.	19	1,130,134	833,673	6	731	1,021,456	-	4.12	1,397
Mar.	19	1,169,574	771,192	6	693	1,055,616	980,583	3.95	1,523
Apr.	20	1,411,347	812,400	7	854	1,285,962	1,142,972	3.74	1,506
May	20	1,489,326	810,302	7	890	1,356,697	1,167,808	3.66	1,524
June	20	1,346,798	746,820	7	886	1,241,946	1,117,489	3.67	1,402
July	21	1,372,089	791,680	8	905	1,237,001	1,109,761	3.67	1,367
Aug.	20	1,286,252	724,933	7	792	1,143,217	-	3.69	1,443
Sept.	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I



MILK PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1971				December 1970			
	Milk Delivered Pounds	Percent of Total	Number of Producers	Daily Av. Lbs. Per Farm	Milk Delivered Pounds	Percent of Total	Number of Producers	Daily Av. Lbs. Per Farm
ALABAMA								
Cherokee			2				3	
DeKalb			1				1	
Jackson			1				1	
Total 1/	125,653	.34	4	1,013	260,934	.76	5	1,683
GEORGIA								
Catoosa	1,102,076	2.94	19	1,871	1,719,083	5.02	25	2,218
Gilmer	58,656	.15	3	631	231,139	.68	6	1,243
Murray	193,537	.52	3	2,081	189,887	.56	3	2,042
Walker	773,782	2.07	21	1,189	1,016,924	2.97	21	1,562
Whitfield	532,054	1.42	12	1,430	625,847	1.83	13	1,553
Others 2/	312,030	.83	5	2,013	250,230	.73	5	1,614
Total	2,972,135	7.93	63	1,522	4,033,110	11.79	73	1,782

1/ Alabama totals only are shown since information is restricted by counties.

2/ 1971 - Includes one producer in each Chattooga, Dade and Union counties and two producers in Fannin county.

1970 - Includes one producer in each Chattooga, Gordon and Union counties and two producers in Fannin county.

MILK PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA 5/

States and Counties	December 1971				December 1970			
	Milk Delivered Pounds	Percent of Total	Number of Producers	Daily Av. Lbs. Per Farm	Milk Delivered Pounds	Percent of Total	Number of Producers	Daily Av. Lbs. Per Farm
<u>KENTUCKY</u>								
Barren			3					
Simpson			<u>1</u>					
Total 3/	180,081	.48	<u>4</u>	1,452	-			
<u>TENNESSEE</u>								
Bedford	77,499	.21	3	833	-			
Bledsoe	536,680	1.43	18	962	499,570	1.46	18	895
Blount	755,517	2.02	12	2,031	-			
Bradley	3,159,659	8.43	78	1,307	3,263,680	9.54	89	1,183
Coffee	362,802	.97	9	1,300	131,658	.38	3	1,416
Cumberland	1,644,289	4.39	32	1,658	1,261,213	3.69	30	1,356
Fentress	432,444	1.15	14	996	393,712	1.15	15	847
Franklin	1,796,649	4.80	40	1,449	1,756,445	5.13	40	1,417
Hamilton	1,585,927	4.23	29	1,764	1,679,667	4.91	30	1,806
Lincoln	-				231,170	.68	4	1,864
Loudon	3,281,724	8.76	56	1,890	2,777,406	8.12	51	1,757
Macon	102,968	.27	3	1,107	-			
Marion	378,532	1.01	16	763	400,464	1.17	15	861
McMinn	7,041,257	18.79	131	1,734	6,586,026	19.25	138	1,540
Meigs	1,265,423	3.38	25	1,633	1,175,386	3.44	26	1,458
Monroe	4,764,910	12.72	85	1,808	4,588,824	13.41	90	1,645
Moore	310,450	.83	6	1,669	-			
Overton	835,589	2.23	20	1,348	746,363	2.18	19	1,267
Polk	1,359,561	3.63	21	2,088	1,217,473	3.56	20	1,964
Putnam	1,030,021	2.75	20	1,661	778,913	2.28	20	1,256
Rhea	555,005	1.48	18	995	686,701	2.01	20	1,108
Rutherford	109,578	.29	3	1,178	-			
Sequatchie	432,748	1.16	12	1,163	473,307	1.38	12	1,272
Warren	338,712	.90	8	1,366	-			
White	1,335,693	3.56	21	2,052	1,016,721	2.97	19	1,726
Others 4/	697,033	1.86	16	1,405	252,080	.74	6	1,355
Total	34,190,670	91.25	696	1,585	29,916,779	87.45	665	1,451
 TOTAL MARKET	 37,468,539	 100.00	 767	 1,576	 34,210,823	 100.00	 743	 1,485

3/ Kentucky totals only are shown since information is restricted by counties.

4/ 1971 - Includes one producer in each DeKalb, Lincoln, Morgan and Wilson counties and two producers in each Grundy, Maury, Roane, Smith, Van Buren and Williamson counties.

1970 - Includes one producer in each Moore and Morgan counties and two producers in each Grundy and Roane counties.

5/ Continued - See page 1 - map